Goldstein v. California - State Copyright Authority over Sound Recordings

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GOLDSTEIN v. CALIFORNIA—
STATE COPYRIGHT AUTHORITY
OVER SOUND RECORDINGS

On March 22, 1971, Donald Goldstein, Donald Koven, and Ruth Koven were charged in the Municipal Court of the Los Angeles Municipal District with 140 violations of § 653h of the Penal Code of the State of California. Their offense was that commonly known as "record piracy" or "tape piracy:" copying phonograph records or audio tapes and selling the copies without the consent of the original manufacturer. Defendants entered pleas of nolo contendere on ten counts, reserving a right of appeal. The remaining 130 counts were dismissed.

Defendants appealed their conviction to the Appellate Department of the Superior Court, which affirmed. The California Court of Appeals denied certiorari. Defendants then petitioned for a writ of certiorari from the United States Supreme Court, which was granted.

At issue in each hearing of the case was the constitutionality of the law under which defendants were brought to trial. Defendants argued that the law created a state copyright, and thus violated article I, section 8, clause 8 of the United States Constitution, which gives the federal government the right to grant copyrights and patents.

The Supreme Court affirmed defendants' conviction. In doing so, it established the right of states to create statutory copyrights over certain

1. The law provides that:
   (a) Every person is guilty of a misdemeanor who:
       (1) Knowingly and willfully transfers or causes to be transferred any
           sounds recorded on a phonograph record, disc, wire, tape, film or other
           article on which sounds are recorded, with intent to sell . . . without the
           consent of the owner.
   (b) "[O]wner" means the person who owns the master phonograph record
       [or equivalent master recording].

CAL. PENAL CODE § 653h (West 1970).

Nine other states have similar laws. See ARIZ. REV. STAT. ANN. § 13-1024
(Supp. 1972); ARK. STAT. ANN. § 41-4617 (Supp. 1973); FLA. STAT. § 543.041
(Supp. July 1973); LA. REV. STAT. ANN. § 14:223 (Supp. 1974); N.Y. GEN. BUS.
LAW § 561 (McKinney 1968); TENN. CODE ANN. §§ 39-4244 to 39-4250 (Supp.
1973); TEX. REV. CIV. CODE ANN. art. 9012 (Supp. 1973); VA. CODE ANN. §§ 59.1-
41.1 to 59.1-41.6 (1973).

2. People v. Goldstein, No. CR.A. 10672 (Super. Ct. Cal., Los Angeles County,
   Nov. 12, 1971). The opinion has not been published, but is reproduced in Brief

classes of writings—copyrights broader, in some respects, than those Congress is empowered to create.

The purposes of this note are to review the history of copyright and copyright-like protection given to phonograph records, audio tapes, and similar materials (herein after classed as "sound recordings"), to analyze the Supreme Court's decision and reasoning in Goldstein v. California, and to examine the probable results of that decision.

THE EARLY HISTORY OF COPYRIGHT PROTECTION FOR SOUND RECORDINGS

The sound recording industry began life with no copyright protection at all. A few cases in the first decade of the twentieth century granted relief in piracy situations, but they were based on classical theories of unfair competition, and did not clearly grant protection to the sound recordings as such.

In White-Smith Music Publishing Co. v. Apollo Co., Apollo was sued for copyright infringement for selling player piano rolls of White-Smith's copyrighted music. The trial court found for defendant, and the circuit court and Supreme Court affirmed, ruling that the copyright protection granted the published writing (the sheet music) could not protect against sound recordings. The Court maintained that there was an important distinction between musical scores that could be reproduced by a human performer, and sound recordings that could be reproduced by a machine. The former were protectible "writings" within the meaning of the Constitution; the latter were parts of a machine which, when duly applied and properly operated in connection with the mechanism to which they are adapted, produce musical tones. . . . [W]e cannot think that they are copies within the meaning of the copyright act.

Sound recordings were thus viewed as inherently unprotectible.

5. See, e.g., Victor Talking Mach. Co. v. Armstrong, 132 F. 711 (S.D.N.Y. 1904). Defendant was enjoined from pirating complainant's records. The ruling was based in part on the fact that defendant's label was confusingly similar to complainant's, and that defendant was thus engaged in unfair competition. The court noted that the sound recording itself was pirated, but refused to rule that this was sufficient grounds for injunction.


7. U.S. Const. art. I, § 8, cl. 8. Federal power to grant copyright protection is confined to "writings." The word has been broadly interpreted to include, e.g., maps, charts, etchings and prints, sheet music, and photographs. Goldstein v. California, 412 U.S. 546, 562 n.17 (1973).

8. 209 U.S. at 18.
White-Smith Music was not strictly a piracy case, since the thing appropriated was the original composition rather than an authorized sound recording of it. The case is important because of the effect it had on the Copyright Act of 1909. That Act included a special licensing provision to ensure that the White-Smith Music situation did not recur. Under its terms, the holder of a musical copyright could decide whether or not to license his work to a producer of sound recordings. Once he had licensed it to one producer, he could not deny it to any other; but he was entitled to a royalty of two cents per sound recording made by any party through the term of the copyright.

There was no protection against record piracy as such. The accompanying congressional reports made it clear that this omission was intentional. It has been uniformly observed by the courts.

JUDICIAL DEVELOPMENT OF REMEDIES FOR PIRACY

In the absence of statutory protection, the courts proceeded to develop remedies for sound recording piracy on their own. As the recording industry matured, such protection proved virtually mandatory; the economics of the business were such that pirates could easily drive the original recorders out of business.

10. Id. § 1(e).
11. It is not the intention of the committee to extend the right of copyright to the mechanical reproductions themselves, but only to give the composer or copyright proprietor the control, in accordance with the provisions of the bill, of the manufacture and use of such devices.
12. See Goldstein v. California, 412 U.S. 546, 567-68 (1973); Capitol Records v. Mercury Records Corp., 221 F.2d 657, 660 (2d Cir. 1955); Jerome v. Twentieth Century Fox-Film Corp., 67 F. Supp. 737, 742 (S.D.N.Y. 1946); Waring v. WDAS Broadcasting Station, Inc., 327 Pa. 433, 437, 194 A. 631, 633 (1937). Contrary, Fonotipia Ltd. v. Bradley, 171 F. 951, 963 (E.D.N.Y. 1909). This case was decided only five weeks after the 1909 law took effect, and its legislative history evidently had not been called to the court's attention. As the case arose before the passage of the new law, the court's remarks must be read as dicta.
13. The expenses of producing a master recording are often in the range of $50,000 to $100,000. They include salaries for performers and technicians, royalties for composers, equipment costs, and payments to the musicians' pension fund. Tape Indus. Ass'n of America v. Younger, 316 F. Supp. 340, 344 (C.D. Cal. 1970). The pirate avoids these costs; his "overhead" is some relatively cheap copying equipment and one commercial copy of the recording he wishes to pirate. He is also
The theories courts developed to remedy piracy were varied, but most of them fitted a common pattern: Plaintiff brought an action in equity, seeking to enjoin defendant from pirating his sound recordings, and the court granted relief on a theory of unfair competition or misappropriation.

In its classical form, a showing of misappropriation has three parts: appropriation, competition, and "passing-off" or misrepresentation. For example, suppose A markets his product in a distinctive bottle, and builds up a market of consumers who desire the product and associate the bottle with it. If B markets a similar product in a similar bottle, with the intent and result of capitalizing on the associations A's customers have built up, he is guilty of misappropriation. He has appropriated A's packaging, he is competing with A, and he is misrepresenting as A's product what is really his own.

In a typical piracy case, appropriation and competition are present, but misrepresentation is notably absent. The pirate often flaunts his status instead of concealing it. The courts have generally been willing to excuse the absence of misrepresentation to provide relief.

privileged to wait and see which recordings are destined to be "hits" before he incurs any expense at all. The original recorder must cover the fixed costs of many unpopular recordings with his profits from a few popular ones—and these are precisely the ones on which the pirate competes with him. The $100-million Market in Bootleg Tapes, BUS. WEEK, May 15, 1971, at 132.


15. In Tape Indus. Ass'n of America v. Younger, the court quotes from a label which plaintiffs (including Donald Koven from Goldstein) affixed to the tapes they sold. It read:

No relationship of any kind exists between [plaintiffs] and the original recording company nor between this recording and the original recording artist. This tape is not produced under a license of any kind from the original company nor the recording artist(s) and neither the original recording company nor artist(s) receives a fee or royalty of any kind from [plaintiffs]. Permission to produce this tape has not been sought nor obtained from any party whatsoever.


16. The leading case is Int'l News Serv. v. Associated Press, 248 U.S. 215 (1918). Appellant pirated appellee's news releases as they were posted on appellee's subscribers' bulletin boards, and printed in early editions of subscribers' papers. The Court affirmed an injunction against appellant's piracy, holding that appellee, through its efforts in acquiring and editing news, had acquired a quasi-property right in it, which piracy violated. "[D]efendant . . . is endeavoring to reap where it has not sown . . . appropriating to itself the harvest of those who have sown." Id. at 239-40. Unfair competition is not limited to misrepresentation of the product, which occurred here, but is not the essence of the injury either. Id. at 241-42. The District Court in the Second Circuit later claimed to confine this principle to
CASE NOTES

1974]

In *Aeolian Co. v. Royal Music Roll Co.*,\(^{17}\) plaintiff brought an action in equity to enjoin defendant from pirating its player piano rolls. The injunction was granted under a provision of the 1909 Copyright Act providing that "any party aggrieved" under the terms of the Act might file a bill for relief in equity.\(^{18}\) The court interpreted this to include plaintiff, an original recorder whose sound recordings were being pirated.\(^{19}\) As the Act protected only copyright proprietors, the court's ruling protected only such proprietors' licensees; yet the decision was justified in terms of misappropriation. The pirate "cannot avail himself of the skill and labor of the original manufacturer ... but must resort to the copyrighted composition or sheet music, and not pirate the work of a competitor who has made an original perforated roll."\(^{20}\)

*Waring v. WDAS Broadcasting Station, Inc.*\(^{21}\) illustrates a variation in the pattern of relief described above. In this case plaintiff sought to enjoin defendant from broadcasting by radio his musical performances, which were fixed on phonograph records. The records were sold with the notice "'[n]ot licensed for radio broadcast.'"\(^{22}\) Plaintiff's petition was granted, and on appeal the Pennsylvania Supreme Court affirmed. It held that plaintiff had a common law copyright to his performance, which gave him a remedy for any unpermitted use. The court went on to consider whether there had been such a "publication" of the performance as to terminate plaintiff's rights. It concluded that mass distribution of the facts at bar. *See* Cheney Bros. v. Doris Silk Corp., 35 F.2d 279, 280 (2d Cir. 1929); RCA Mfg. Co. v. Whiteman, 114 F.2d 86, 90 (2d Cir. 1940); G. Ricordi & Co. v. Haendler, 194 F.2d 914 (2d Cir. 1952). The ruling proved an exceedingly elusive prisoner, though, popping out persistently in arguments and opinions on related topics. *See* Goldstein v. California, 412 U.S. 546, 570-71 (1973); Grove Press, Inc. v. Collectors Publication, Inc., 264 F. Supp. 603, 607 (C.D. Cal. 1967); Flamingo Telefilm Sales, Inc. v. United Artists Corp., 254 N.Y.S.2d 36, 37, 22 App. Div. 2d 778, 778-79 (1964); Pottstown Daily News Pub. Co. v. Pottstown Broadcasting Co., 411 Pa. 383, 390-91, 192 A.2d 657, 661-62 (1963); Metropolitan Opera Ass'n v. Wagner-Nichols Recorder Corp., 199 Misc. 786, 805, 101 N.Y.S.2d 483, 500 (Sup. Ct. 1950); Waring v. WDAS Broadcasting Station, Inc., 327 Pa. 433, 452, 194 A. 631, 640 (1937).

In a few cases of piracy where the pirate transferred his subject matter from one medium to another, courts have been willing to dispense with competition as well as misrepresentation. *See* text accompanying note 24, *infra.*

17. 196 F. 926 (W.D.N.Y. 1912).
19. 196 F. at 928.
20. *Id.* at 927.
22. *Id.* at 443, 194 A. at 636.
a sound recording did not constitute publication in this sense, and found
for plaintiff. 23

In Metropolitan Opera Association v. Wagner-Nichols Recorder
Corp. 24 Metropolitan Opera had given Columbia Records, Inc. the ex-
musive right to sell sound recordings of its performances. Wagner-Nichols
sold recordings of these performances which were “pirated” from radio
broadcasts. Metropolitan Opera sought and obtained an injunction
against this form of piracy, which the court held to be unfair competition.

STATUTORY PROTECTION

In the past two decades, a movement has arisen to protect sound re-
cordings against piracy by statute. In 1948, the municipality of Los An-
geles became the first American governmental authority to pass a piracy
law. 25 A similar bill was passed by the New York state legislature in
1952, but was vetoed by the Governor. 26 New York passed a piracy
law in 1966. 27 By 1971 eight states had such laws, 28 and by the time
the briefs for Goldstein were written, ten states had them. 29

FEDERAL PRE-EMPTION: THE SEARS AND COMPCO CASES

By the mid-1960’s, the state of the law regarding sound recording
piracy was fairly stable. Original recorders had a remedy in state courts,
which, if less than perfect, was at least workable. 30 Then came a pair

23. This contention, while apparently strained, was not without precedent. The
court cited numerous cases in which performances and exhibitions before the general
public, and over radio, had been held not to constitute publication. Id. Contra, RCA
Mfg. Co. v. Whiteman, 114 F.2d 86 (2d Cir. 1940). The non-publication, common
law copyright approach seems to have fared less well in federal courts than in state
courts. In Goldstein the whole issue of what constitutes publication was declared
moot; the Court ruled that in federal law the term has meaning only for federally
text accompanying notes 94-96, infra.


25. Los Angeles Cal. Municipal Code § 42.19.1 (1948). The statute was re-
pealed in 1970, Los Angeles, Cal. ordinance 140,388, after California’s state piracy
law was passed.


27. N.Y. PENAL LAW § 441c (McKinney 1967), as amended N.Y. GEN. BUS.
LAW § 561 (McKinney 1968).

28. See End to Privacy, supra note 15, at 969.

29. See collection of statutory material, supra note 1.

30. On the shortcomings of state protection, see End to Piracy, supra note 15,
at 975.
of Supreme Court decisions which, while not concerned directly with sound recordings, threatened to overturn the whole structure.

In *Sears, Roebuck & Co. v. Stiffel Co.*, the Supreme Court considered the purpose of the copyright clause in the Constitution. It was "'[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.'" To this end, the patent and copyright provision of the Constitution was enacted to provide the incentive provision of the Constitution was enacted to provide the incentive of a limited monopoly to prospective writers and inventors. It provided a limited monopoly only, for the founding fathers were well aware of the dangers inherent in monopolies of any sort, and the ease with which they could be abused.

The limits on copyright and patent monopolies were of several sorts. First, the Constitution itself required that these monopolies be granted only "for limited Times." In addition, Congress had the authority to say what might and might not be given protection, so that "the heavy

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32. Id. at 226.
34. Id. at 235.
35. 376 U.S. at 228 quoting U.S. Const. art. I, § 8, cl. 8.
hand of tribute [might not] be laid on each slight technological advance in an art.'

Thus, the acts of Congress which established the limits of copyright and patent protection were viewed as establishing a balance between the benefits of this special sort of monopoly, and the destructive effects on commerce of monopoly per se. As a necessary result, the failure of Congress to protect a certain class of protectible work was viewed as a positive measure, not a neutral one. The federal courts or the states could not protect such a work, claiming that by failing to act, Congress had abandoned that class of work to judicial or state legislative control. To do so would be to upset the balance between the good and bad effects of monopoly, arrived at by Congress through the process of protecting some kinds of works and not others. In the words of the Court:

'The patent system is one in which uniform federal standards are carefully used to promote invention while at the same time preserving free competition. Obviously a State could not . . . extend the life of a patent . . . or give a patent on an article which lacked the level of invention required for federal patents. To do either would run counter to the policy of Congress of granting patents only to true inventions, and then only for a limited time.'

The Court went on to rule that the unfair competition law used in Sears was unconstitutional, because its effect was to give the equivalent of patent protection to an article which failed to meet federal standards for patentability. It thus upset the balance of protection established by Congress, and conflicted with the policies expressed by federal law. The Court thought it unnecessary to consider whether or not the law was otherwise a valid exercise of state police power.

In Compco the Court retraced most of the reasoning of Sears, and reached the same result: "[W]hen an article is unprotected by a patent or copyright, state law may not forbid others to copy that article."

If read literally, Sears and Compco appeared to spell the end of protection against sound recording piracy by any authority except Congress. Both cases dealt with patent protection, but nothing in either opinion indicated a distinction between patent and copyright. Compco, in the passage quoted above, indicated explicitly that the two were to be treated as equivalent.

36. Id. at 230 quoting Cuno-Eng'r Corp. v. Automatic Devices Corp., 314 U.S. 84, 92 (1941).
37. Id. at 230-31.
38. 376 U.S. at 237.
A swift judicial response to *Sears* and *Compco* was necessary, for some piracy cases were moving through the courts even as the decisions were being handed down. In one such case, *Columbia Broadcasting System, Inc. v. Documentaries Unlimited*,39 CBS obtained an injunction against record piracy by Documentaries Unlimited on the theory of a radio announcer's quasi-property right in his performance, similar to the right asserted in *International News Service v. Associated Press*.40 The case was decided three days before *Sears* and *Compco*, but after those decisions came out, Documentaries Unlimited requested reargument, and Judge Geller wrote a postscript to his opinion denying the request. He gave three reasons for doing so. First, he claimed that in the case at bar misrepresentation had occurred, and that *Sears* and *Compco* prohibited interference with piracy only in cases where misrepresentation, if any, was only constructive. This reason is unconvincing for two reasons: first, nothing in Judge Geller's initial opinion indicated misrepresentation, and second, *Compco* contradicted it.41

Judge Geller's second reason was that the pirated work was held to be "unpublished,"42 and thus exempt from the operation of the Copyright Act.43 His third reason was the Documentaries Unlimited had not merely "copied" CBS's broadcast, but had "appropriated" it in a more fundamental, piratical way, which *Sears* and *Compco* did not protect.44

The distinction between "copying" and "appropriation" is rather wispy, and one may well doubt whether it has any content. The essence of the distinction is that "copying" refers to an object, such as the "parts of a machine" denied protection in *White-Smith Music*, or the pole lamp denied protection in *Sears*. "Appropriation," on the other hand, refers to the information contained on a sound recording, in which the recorder retains a "quasi-property right," as the appellee retained a quasi-property

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40. See note 16, supra.
41. [T]hat there may be ‘confusion’ among purchasers as to which article is which or as to who is the maker, may be relevant evidence in applying a State’s law requiring such precautions as labeling; however, and regardless of the copier’s motives, neither these facts nor any others can furnish a basis for imposing liability for or prohibiting the actual acts of copying and selling.
376 U.S. at 238.
43. Id. at 726-72, 248 N.Y.S.2d at 812.
44. Id. at 727, 248 N.Y.S.2d at 813.
right in the information contained in his news dispatches in International News Service. Since an invention does not bear "information" in the sense that a writing does, the appropriation-versus-copying distinction resolves into a copyright-versus-patent distinction, and affords a basis for excepting sound recording piracy remedies from the implications of Sears and Compco. On analysis, however, the distinction proves hard to pin down. The Supreme Court has ruled that ideas, concepts, and natural phenomena, as distinct from inventions embodying them, are unpatentable. Is not the information embodied in a sound recording analogous to the idea, concept, or natural phenomenon embodied in an invention? If so, how can it be allowed protection? Perhaps the only virtue of the copying-versus-appropriation distinction is that it allows the courts to escape the disruptive effects that a straightforward application of Sears and Compco would have on an important industry.

Be that as it may, the copying-versus-appropriation distinction was the one chosen by subsequent courts wishing to provide relief against piracy of sound recordings and other unpatentable writings. In Capitol Records, Inc. v. Greatest Records, Inc., a New York court granted an injunction against record piracy, and stated that Sears and Compco did not deprive plaintiff of protection:

Neither of those learned decisions stands for the proposition that this plaintiff is not entitled to protection against the unauthorized appropriation . . . of the actual performances contained in its records.

In Grove Press, Inc. v. Collectors Publication, Inc., Collectors Publication prepared to publish a book by photocopying Grove Press's edition, a procedure equivalent to sound recording piracy. A federal district court found the Grove Press edition to be uncopyrightable, the manuscript having been in the public domain, but nevertheless enjoined Collectors Publication from publishing its photocopied edition:

Unfair appropriation of the property of a competitor is unfair competition and redressable in a situation of this kind despite the holdings in [Sears and Compco]. . . .

46. See generally End to Piracy, supra note 15, at 974.
47. 43 Misc. 2d 878, 252 N.Y.S.2d 553 (Sup. Ct. 1964).
48. Id. at 881, 252 N.Y.S.2d at 556.
Defendants' first edition is more than mere copying of Plaintiffs work . . . it would constitute unfair competition for Defendants to appropriate [it].

In Flamingo Telefilm Sales, Inc. v. United Artists Corp., United Artists pirated an uncopyrighted film licensed to Flamingo Telefilm Sales for its exclusive use. The court enjoined United Artists from using the film on the grounds that it had misappropriated a common law property right licensed to Flamingo Telefilm Sales by the film's owner. The court ruled that Sears and Compco did not apply.

In Capitol Records, Inc. v. Erickson, Capitol Records sought to enjoin piracy by Erickson. The trial court granted the injunction, and the court of appeals affirmed. Using language modelled after International News Service, the opinion contended that Sears and Compco did not apply where defendant "unfairly appropriates to his profit the valuable efforts of his competitor," in this case the effort and expense involved in cutting an original record.

A few cases have held to the contrary. In Cable Vision, Inc. v. KUTV, Inc., KUTV was denied an injunction against Cable Vision, which had "pirated" its television broadcasts and redistributed them via cable television. The court held that Sears and Compco determined its decision for defendant: plaintiff's broadcasts, as such, being uncopyrighted, were free to be copied (or appropriated). The court also chose to adopt the classical definition of unfair competition, thus denying recovery in the absence of "palming off," and dismissed International News Service as limited to the facts there at bar. Its decision was thus close to what a literal interpretation of Sears and Compco could produce.

In State's Attorney v. Sekuler, defendant was accused of violating

50. Id. at 606-07.
52. Id. at 462.
54. Id. at 538, 82 Cal. Rptr. at 806.
55. 335 F.2d 348 (9th Cir. 1964).
56. Id. at 351.
57. Id. at 352.
a state law which prohibited reproduction for sale of certain tax maps published by the state. On appeal, the state supreme court reversed, holding that Sears and Compco rendered the state law invalid.\(^{60}\) Taking note of the many aforementioned cases which "seem not to follow Sears and Compco,"\(^{61}\) the court held that the case at bar was distinguishable. It did not involve a law prohibiting misappropriation (which the court viewed as implying palming-off), but merely one "creating a monopoly for the State."\(^{62}\) There was no reason given for ruling that defendant's act was less of a misappropriation than that prohibited in Grove Press, and no contention was made that Sears and Compco allowed judicial protection against piracy, but not statutory protection. The only remaining distinction between this case and earlier cases where protection was allowed was that in this case protection was claimed for the state, and previous cases it was claimed for private persons and corporations. That distinction could be valid, but it was not directly mentioned in the opinion, and was not even hinted at in the Sears and Compco opinions.

It appears that the majority of courts have refused to follow up on the implications of Sears and Compco with regard to sound recordings and related works. Instead, they devised the distinction between "copying" and "appropriation," which enabled them to avoid applying Sears and Compco to piracy cases, and to continue supplying a form of relief that had initially been devised because it was so important to the health of a major industry.

DEVELOPMENTS LEADING UP TO Goldstein

The stage was set for Goldstein v. California by four legal events: the passage of two statutes, and the trial of 2 cases.

The first event was the passage of California's sound recording piracy law, making it a misdemeanor to copy sound recordings for sale without the consent of the owner of the master recording.\(^{63}\) This occurred in 1968.

The second event was the decision in Tape Industries Association of America v. Younger.\(^{64}\) In this case the Tape Industries Association, an organization of tape pirates, sought declaratory and injunctive relief against enforcement of the California law by the Los Angeles district attorney. Plaintiff claimed that the rulings in Sears and Compco, and Ca-

\(^{60}\) Id. at 501, 240 A.2d at 610.
\(^{61}\) Id. at 505, 240 A.2d at 612.
\(^{62}\) Id.
\(^{63}\) CAL. PENAL CODE, § 653h (West 1970).
ble Vision rendered the law an unconstitutional infringement of the federal copyright authority. The court denied plaintiff relief, relying on the distinction between copying and appropriation to show that Sears and Compco did not apply. 65 It distinguished Cable Vision on the ground that in that case defendants “were not enjoined because they simply re-broadcast a television transmission that was normally received without charge.” 66 In conclusion, the court asserted

that [the California law] is a tolerable and permissible state regulation . . . and does not unconstitutionally intrude on the Federal policies enunciated in the Copyright Clause. . . . 67

The third event was the passage of the Federal Sound Recording Act in 1971, extending copyright protection to sound recordings. 68 The relevant portions of the Act gave copyrighted sound recordings the same protection against unauthorized reproduction that was traditionally granted other kinds of works, and set up procedures for giving notice of and registering sound recording copyrights. These portions of the Act were to take effect four months from the date of passage, and were to continue in effect until December 31, 1974. 69 As the acts complained of in Goldstein occurred before the Act took effect, the Act did not affect the outcome of the case in any direct way. 70

The fourth event was Tape Head Co. v. RCA Corp., 71 in which a group of tape pirates tested the Sound Recording Act to see if it would invalidate state piracy law retroactively, and found that it would not. Tape Head sought injunctive relief against RCA, which it claimed was

65. Id. at 350.
66. Id. In other words, plaintiff’s broadcasts could not be protected because they comprised publications which dedicated the works therein to the public. The same rationale could equally well be used to deny protection to a radio broadcaster whose words are recorded and sold in sound recordings; yet this was the situation in Columbia Broadcasting System v. Documentaries Unlimited, 42 Misc. 2d 723, 248 N.Y.S.2d 809 (Sup. Ct. 1964), the first case to allow protection notwithstanding Sears and Compco. See text accompanying notes 39 to 44, supra.
67. 316 F. Supp. at 351.
70. The Act provides protection only to recordings “fixed” (recorded) and published after February 15, 1972. Thus a recording published and/or fixed before that date could not be copyrighted, and could not be protected even after the Act took effect. Id.
71. 452 F.2d 816 (10th Cir. 1971).
planning to bring actions in state courts to enjoin Tape Head's piracy. Plaintiffs' main contention was that in passing the Sound Recording Act, and giving federal protection to sound recordings fixed after February 15, 1972, Congress manifested an intention that recordings fixed before that date should be left unprotected, pre-empting the entire sound recording field and terminating any state power to provide relief.\(^{72}\) The court rejected this contention, citing the words of the Act itself:

\[\text{[T]he Act . . . should not be applied retroactively or "be construed as affecting in any way rights with respect to sound recordings fixed before the effective date of this Act."}\] \(^{73}\)

The court stopped short of ruling on the validity of plaintiffs' claim, but plainly considered it without merit, and refused plaintiffs the "extraordinary abortive relief" which they requested.\(^{74}\)

**ARGUMENTS AND DECISION IN Goldstein**

The issues resolved in *Goldstein* may be divided into five groups: the effect of the Constitution on state copyright power; the effect on congressional action on state copyright power; the interpretation of *Sears* and *Compco*; the application of the "limited times" provision of the federal copyright mandate\(^{75}\) to state copyright power; and the effect of "publication" on the status of protectible writings.

Although neither litigant pressed the point, the Court felt obliged first to consider whether or not the constitutional grant of copyright power to Congress pre-empted all state power in that area.\(^{76}\) The Court concluded that it did not, citing *Cooley v. Board of Wardens*: A power granted to Congress by the Constitution may be inferred to be pre-emptive only if its nature is such that it can be wielded effectively by only one authority at a time. Further, a power granted to Congress as a unit may

\(^{72}\) *Id.* at 819.


\(^{74}\) 452 F.2d at 820. *Contra*, Int'l Tape Mfrs. Ass'n v. Gerstein, 344 F. Supp. 38 (S.D. Fla. 1972). Plaintiff sought declaratory and injunctive relief against prosecution under a Florida statute similar to California's tape piracy law. The court granted relief, holding that the state law infringed the federal copyright authority. In its opinion the court relied heavily on *Sears* and *Compco*, *id.* at 49-51, and rejected the conclusions of other federal courts in *Tape Indus. Ass'n of America v. Younger*, *id.* at 51, and *Tape Head Co. v. RCA Corp.*, *id.* at 52. This case was not discussed in the Supreme Court's *Goldstein* opinion.

\(^{75}\) The Congress shall have the power . . . [to promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.

\(^{76}\) 412 U.S. at 552-58.
be pre-emptive in part and non-pre-emptive in part, depending on the nature of each part.\textsuperscript{77}

The Court’s reasoning in bringing the copyright power within this rule was that not all writings are of national importance, and hence not all writings warrant federal copyright protection. Those which are of importance within only one state may be given protection by the laws of that state without invasion of the federal copyright interest.\textsuperscript{78}

This local-importance argument may have been suggested by analogy to Cooley, where the Court upheld local laws regulating marine pilots, despite the fact that the pilots were involved in interstate commerce. The Court ruled that by its nature pilotage was an aspect of interstate commerce appropriate to local control, and so made an exception to the established rule that interstate commerce is under exclusive federal control. In the context of Goldstein, however, the line of reasoning is incongruous. It defines the domain of state copyright power by subject matter. At issue in Goldstein is the domain of state copyright power as defined by medium. Even if the words of the Court are ignored,\textsuperscript{79} and the argument is applied to media, it makes little sense. How may a medium, such as phonography, be said to have importance only within one state?

The local-importance argument is not necessary to the Court’s conclusion; indeed, much firmer refutation of the claim to constitutional pre-emption is found in the fact that the states have traditionally conferred common law copyright on certain classes of writings not protected by Congress—those which are unpublished—and their right to do so is firmly established in American law.\textsuperscript{80}

It seems likely that the local-importance argument is intended to refute appellants’ claim that, even if the federal copyright mandate is not pre-emptive as defined by the Constitution, a congressional policy of national uniformity in copyright protection requires that it be treated as pre-emptive.\textsuperscript{81} The Court does not, however, make this connection explicitly.

\textsuperscript{77} Id. at 553-54, \textit{quoting} 53 U.S. 229, 319 (1851).

\textsuperscript{78} Id. at 556-58.

\textsuperscript{79} Id. at 557-58 (emphasis added).


\textsuperscript{81} Brief for Petitioners at 11-12, Brief of Respondent at 33-37, Goldstein v. California, 412 U.S. 546 (1973).
Appellants attempted to prove congressional pre-emption of the sound recording field in particular, as well as the copyright field in general. The claim that Congress actively intended recordings made prior to the Sound Recording Act of 1972 to have no protection was deprived of most of its force by the lower court decision in *Tape Head*.

Appellants followed an alternative line of argument: Congress occupied the area of sound recording protection, and indicated that sound recordings should have no protection at all, by repeatedly considering laws that would protect such recordings, and rejecting them. To this, appellee countered that the failure of Congress to pass proposed legislation must be treated as a neutral act. From the defeat of policy A one cannot infer an endorsement of policy B, its opposite, when many intermediate policies are also possible. In any case, the true reason for the failure of earlier protective measures was not a desire to leave sound recordings unprotected, but the inability of those who desired protection to agree on a means of implementing it.

The Court accepted appellee's arguments on this point, ruling that the congressional failure to protect sound recordings was neutral, even where it took the form of active rejection of protective legislation:

> At any time Congress determines that a particular category of "writing" is worthy of national protection . . . , [it] may be authorized. Where the need for free and unrestricted distribution of a writing is thought to be required by the national interest, the Copyright Clause and the Commerce Clause would allow Congress to eschew [that is, prohibit] all protection. . . . However, where Congress determines that neither federal protection nor freedom from restraint is required by the national interest, it is at liberty to stay its hand entirely.

With this, the Court appears to have discarded the pre-emption theory entirely. At first glance, *Goldstein* flatly contradicts *Sears* and *Compco*, which established that theory. It is true that both of those cases dealt with patent protection, and the extension to copyright suggested in the *Compco* opinion may be treated as dicta, but one must establish some justification for limiting *Sears* and *Compco* in this way, when their reasoning appears to apply to patent and copyright protection with equal force.

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82. 452 F.2d 816 (10th Cir. 1971).
86. 412 U.S. at 559.
Appellants relied heavily on Sears and Compco in their argument, claiming that those cases applied equally to patents and copyrights, and thus invalidated the state law under which appellants were being prosecuted.\textsuperscript{87} Appellee sought to distinguish sound recording piracy from the physical-design piracy that occurred in Sears and Compco on the basis of the copying-versus-appropriation distinction developed in piracy cases decided after Sears and Compco.\textsuperscript{88}

The Court agreed with appellee that Sears and Compco did not apply, but used different reasoning. The Court wrote that in the patent area,

\begin{quote}
Congress had balanced the need to encourage innovation and originality of invention against the need to insure competition in the sale of identical or substantially identical products. The standards established for granting federal patent protection to machines thus indicated not only which articles in this particular category Congress wished to protect, but which configurations it wished to remain free. . . . No comparable conflict between state law and federal law arises in the case of recordings of musical performances. In regard to this category of "writings," Congress has drawn no balance; rather, it has left the area unattended, and no reason exists why the State should not be free to act.\textsuperscript{89}
\end{quote}

This begs the question. Why had Congress drawn a balance between the incentives and dangers of monopoly in the patent area, but not the copyright area? The answer does not appear in the Court's opinion. It may lie in a basic distinction between inventions and writings. The latter are susceptible to classification into many different media, with different technical and policy considerations for each, while the former are not.\textsuperscript{90} Thus, by failing to regulate certain media, Congress may abandon them to the states' supervision; but by regulating patents, Congress pre-empts the entire field.

Appellants argued that the California statute was unconstitutional in that it granted protection for an unlimited time, while the Constitution gives Congress the power to grant copyright protection only for limited.

\textsuperscript{89} 412 U.S. at 569-70.
\textsuperscript{90} This distinction, although appealing, may have a limited life expectancy. Technology is now threatening the concept of an "invention" with the same sort of fluidity it has imposed on the concept of a "writing" since the turn of the century. For example, are computer programs patentable inventions? Despite a few court rulings, the issue is far from settled. See Gottschalk v. Benson, 409 U.S. 63 (1972); Duggan, Patents on Programs? The Supreme Court Says No, 16 COMMUNICATIONS OF THE ASS'N FOR COMPUTING MACHINERY 60 (1973); Titus, Supreme Court Ruling Fails to Settle Issue of Patenting Computer Programs, id. at 63.
times. Appellee rejected this contention, claiming that it did not limit the concurrent power of the states. The Court accepted appellee's view, holding that:

Section 8 enumerates those powers which have been granted to Congress; whatever limitations have been appended to such powers can only be understood as a limit on congressional, and not state, action.

This holding yields the anomalous result that the states have power over federally "unprotected" media by the default of Congress, yet the states can do what Congress cannot do, i.e., grant protection for unlimited times.

Finally, appellants claimed that the records they pirated were "published," and thus in the public domain; appellee countered with numerous precedents indicating that distribution of a sound recording did not constitute publication. The Court dismissed this issue completely, saying only that for the purposes of federal law, "publication" was a technical term with meaning only for those media which Congress chose to protect. This holding is not to the point, since the question of publication determines the availability of common law copyright—a doctrine of state law, not federal law. The Court may have been motivated to evade this issue to avoid clashing with the prevailing federal rule, which would work in favor of appellants.

The case produced two dissenting opinions. One was written by Mr. Justice Douglas, the other Mr. Justice Marshall, with Mr. Justice Brennan and Mr. Justice Blackmun joining in each. The contents of these opinions were similar: each saw no distinction between patents and copyrights which would justify excepting Goldstein from the federal pre-emption rule set out in Sears and Compco. The idea that Congress struck a balance between the benefits and drawbacks of the patent monopoly, they said, applied equally well to copyrights. In addition, Mr. Justice Douglas noted that the policy of uniformity of protection, which dictates federal pre-emption, applied equally well to each.

CONCLUSION

In Goldstein, the Court chose to limit the federal pre-emption doctrine set out in Sears and Compco. That doctrine, which previously appeared

93. 412 U.S. at 560 (emphasis by the Court).
95. 412 U.S. at 570 n.28.
96. See note 23, supra.
to forbid state law to grant protection in the nature of patent or copyright, now forbids protection in the nature of patent only.

While Goldstein appears to contradict the wording and reasoning of Sears and Compco to this extent, it is in accord with a great number of state and lower federal court decisions, made both before and after Sears and Compco, which recognize the power of the states to protect sound recordings from piracy. In part, it may have been dictated by the same economic policy considerations that caused the courts to develop a remedy for piracy in the first place, and which obliged them to maintain it in the face of Sears and Compco.

Far from being mooted by the Sound Recording Act of 1971, the remedy for sound recording piracy in state law promises to remain a productive legal theory for many years. The Sound Recording Act gives no protection to sound recordings fixed prior to February 15, 1972; the state law remedy remains the only protection for such recordings.

The state law remedy may also be extended to cover new media as circumstances warrant. The acceleration of technology which began in the nineteenth century has not yet ceased, and it is a fair bet that federal copyright law will have at least as much trouble keeping up with the times in the future as it has had in the past. It is usually difficult for legislators to agree quickly on the need for novel copyright protection—and it is not always desirable for them to agree too soon, as they may well freeze a remedy prematurely into some misconceived form.\textsuperscript{97} While Congressmen debate, and while the general concept of a new form of protection matures, the piracy remedy in state law can provide a valuable stopgap.

\textit{Jonathan Sachs}

\textsuperscript{97} Chafee, Reflections on the Law of Copyright: II, 45 Colum. L. Rev. 719, 737 (1945).